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7

8 UNITED STATES BANKRUPTCY COURT  
9 CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

10 In re  
11 THE LITIGATION PRACTICE GROUP P.C.,  
12 Putative Debtor.  
13

Case No. 8:23-bk-10571-SC

Chapter 11

DECLARATION OF CHAPTER 11  
TRUSTEE, RICHARD A. MARSHACK, RE:  
RECEIPT OF QUALIFIED OVERBIDS

Date: July 21, 2023  
Time: 10:00 a.m.  
Ctrm: 5C-Virtual<sup>1</sup>  
Location: 411 W. Fourth St.  
Santa Ana, CA 92701

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19 I, RICHARD A. MARSHACK, declare as follows:

20 1. I am an individual over 18 years of age and competent to make this Declaration.

21 2. If called upon to do so, I could and would competently testify as to the facts set forth  
22 in this Declaration. The facts set forth below are true of my personal knowledge unless otherwise  
23 stated.

24 3. I am the duly appointed Chapter 11 Trustee of the bankruptcy estate ("Estate") of The  
25 Litigation Practice Group P.C. ("Debtor" or "LPG").  
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27 <sup>1</sup> This hearing date is designated Zoom Only, pursuant to Judge Clarkson's self-scheduling  
28 procedures. Video and audio connection information for each hearing will be provided on Judge  
Clarkson's publicly posted hearing calendar, which may be viewed online at: <http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

1           4.       I make this Declaration in support of my Motion for Entry of an Order (A) Approving  
2 Sale, Subject to Overbid, of Assets Free and Clear of all Liens, Claims, Encumbrances and Interests  
3 Pursuant to 11 U.S.C. § 363(B); and (B) Approving Assumption and Assignment of Certain  
4 Executory Contracts and Unexpired Leases and Other Agreements (“Motion”).

5           5.       I have received two bids from Qualified Overbidders, the details of which  
6 will be disclosed at the time the auction is to be conducted. Each proposed buyer will be  
7 filing their own declarations in support of their offers, to establish the bona fides of their  
8 good faith. For my part, my team negotiated with these buyers in good faith. I represent  
9 that the offers are the product of arms-length negotiations.

10          6.       For the benefit of the Court, the summary of the economic terms of the  
11 stalking horse bid and the bids of the two overbidders are summarized as set forth in the  
12 attached chart, incorporated here by reference.

13          7.       Recognizing that the goal is to produce the Highest and Best bid, at the  
14 time of the auction, after careful consideration, in the exercise of my best business  
15 judgment, and after the auction to establish the economic terms, I will announce my  
16 selection of the Highest and Best offer to the Court.

17           I declare under penalty of perjury that the foregoing is true and correct. Executed on July 21,  
18 2023.

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20 RICHARD A. MARSHACK  
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**EXHIBIT 1**

<b>CLG OFFER</b>			
Down payment	13,400 (active files)	\$363.63/file	\$4,877,454.44
Down payment	4,700 (paused files)	\$363.63/file	\$1,709,061.00
Backend	13,400 (active files)	20% (Of 80%) based on 19.5 mos. @ \$335/mo.	\$14,005,680
Backend	4,700 (paused files)	20% (Of 80%) based on 19.5 mos. @ \$335/mo.	\$4,912,440.00
Backend	16,900 (inactive files) @10%	15% (Of 80%) based on 19.5 mos. @ \$335/mo.	\$1,324,791
Backend	16,900 (inactive files) @15%	15% (Of 80%) based on 19.5 mos. @ \$335/mo.	\$1,987,186.50
Backend	16,900 (inactive files) @20%	15% (Of 80%) based on 19.5 mos. @ \$335/mo.	\$2,649,582
TOTAL			\$31,466,194.90
ADMIN LOANS			(-) \$1,299,663.98
<b>NET</b>			<b>\$30,166,531.00</b>

<b>OFFER FROM MORNING LAW GROUP</b>			
Down payment	18,100 (active/paused files)	\$303.87/file	\$5,500,000
Backend	18,100 (active/paused files)	50% based on 19.5 mos. @ \$335/mo.	\$59,119,125
Backend	16,900 (inactive files) @10%	40% based on 19.5 mos. @ \$335/mo.	\$4,415,970
Backend	16,900 (inactive files) @15%	40% based on 19.5 mos. @ \$335/mo.	\$6,623,955
Backend	16,900 (inactive files) @20%	40% based on 19.5 mos. @ \$335/mo.	\$8,831,940
TOTAL			\$84,490,990.00
ADMIN LOANS			(-) \$1,299,663.98
<b>NET</b>			<b>\$83,191,326.00</b>

<b><u>OFFER FROM THE BENSAMOCHAN LAW FIRM, INC. OR SUNSET COAST LEGAL GROUP</u></b>			
Down payment	18,100 (active/paused files)	\$41.44/file	\$750,000.00
Backend	18,100 (active/paused files)	50% based on 19.5 mos. @ \$335/mo.	\$59,119,125
Backend	16,900 (inactive files) @10%	45% based on 19.5 mos. @ \$335/mo.	\$4,967,966.25
Backend	16,900 (inactive files) @15%	45% based on 19.5 mos. @ \$335/mo.	\$7,451,949.38
Backend	16,900 (inactive files) @20%	45% based on 19.5 mos. @ \$335/mo.	\$9,935,932.50
TOTAL			\$82,224,973.10
ADMIN LOANS			(-) \$1,049,663.98
NET			<b>\$81,175,309.20</b>

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
870 Roosevelt, Irvine, CA 92620.

A true and correct copy of the foregoing document entitled: **DECLARATION OF CHAPTER 11  
TRUSTEE, RICHARD A. MARSHACK, RE: RECEIPT OF QUALIFIED OVERBIDS**

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will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **July 21, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:** On **July 21, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**DEBTOR – MAIL REDIRECTED TO TRUSTEE**

THE LITIGATION PRACTICE GROUP P.C.  
47542 17TH ST, SUITE 100  
TUSTIN, CA 92780-1984

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL:** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **July 21, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**VIA PERSONAL DELIVERY:**

**PRESIDING JUDGE'S COPY**

HONORABLE SCOTT C. CLARKSON  
UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
411 WEST FOURTH STREET, SUITE 5130 / COURTROOM 5C  
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 21, 2023

Date

Layla Buchanan

Printed Name

/s/ Layla Buchanan

Signature

**TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): CONTINUED:**

- **INTERESTED PARTY COURTESY NEF:** Eric Bensamochan eric@eblawfirm.us, G63723@notify.cincompass.com
- **ATTORNEY FOR CREDITOR SDCO TUSTIN EXECUTIVE CENTER, INC.:** Ronald K Brown ron@rkbrownlaw.com
- **ATTORNEY FOR CHAPTER 11 TRUSTEE RICHARD A MARSHACK (TR):** Christopher Celentino christopher.celentino@dinsmore.com, caron.burke@dinsmore.com
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- **INTERESTED PARTY COURTESY NEF:** Randall Baldwin Clark rbc@randallbclark.com
- **INTERESTED PARTY COURTESY NEF:** Leslie A Cohen leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com; clare@lesliecohenlaw.com
- **INTERESTED PARTY COURTESY NEF:** Jenny L Doling jd@jdl.law, dolingjr92080@notify.bestcase.com; 15994@notices.nextchapterbk.com
- **ATTORNEY FOR CREDITOR CAROLYN BEECH:** Daniel A Edelman dedelman@edcombs.com, courtel@edcombs.com
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- **ATTORNEY FOR CREDITOR DEBT RELIEF GROUP, LLC:** Johnny White JWhite@wrslawyers.com,  
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4876-7324-4273, v. 1